

State Water Contractors Relicensing Role

Recreation and Socioeconomic
Work Group
February 22, 2001

Who is the SWC?

- A California Non-profit Corporation
- Represent 27 SWP Contractors with Contracts to Pay for and Receive Water from the State Water Project (SWP)

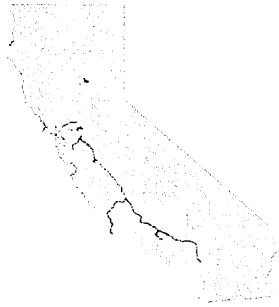
The State Water Project

- 1957 – Construction Begins on Oroville Facilities
- 1960 – Voters Approve Building the SWP
- Largest State-built Water Project in US
- Water Supply is Main Project Purpose
- Supplies Water to 22 million Californians and 1 Million Acres of Agricultural Land

The SWP Contractors

- Public Agencies – Not for profit
- Take-or-Pay Water Supply Contracts
- Repay DWR for all the Costs of Water Supply Storage and Delivery including SWP Power Facilities
- Guarantee Repayment through their Ability to Levy Taxes

**State Water Project
Service Area**



Water Entitlement

- 4,172,786 Acre-feet Maximum Entitlement
- 2000 Supply: \approx 3,000,000 Acre-feet
- 2001 Forecast: 824,000 Acre-feet (20% of maximum)
- Water "Banking" Necessary to Survive Droughts

2000: Primary Uses of Oroville Releases

- Downstream Requirements: 1,404 TAF (31%)
- SWP Exports: 1,090 TAF (24%)
- Flood Control: 1,020 TAF (23%)
- Feather River Service Area (Butte and Sutter Counties): 1,008 TAF (22%)

Water Supply Costs

- 94% of SWP Costs
- Over \$9 Billion in Past Repayments
- Payments of About \$600 Million per Year

Breakdown of Annual Costs

- Bond Service 47%
- O&M 28%
- Power 19%
- Other 6%

Energy Supply

- Project is a Net Energy User
- Pumping Requirements are 4 to 8 billion kilowatt hours per year
- Project's Hydro Plants Supply about Half the Energy Needs
- Purchase Remainder of Energy
- Annual Net Energy Cost: Averaged About \$100 Million Over Last 10 Years

Relicensing Goal Statement

- **To actively participate in the relicensing of the Oroville Hydroelectric Project in a manner that protects the interests of the State Water Contractors by maximizing water supply and power generation while maintaining system flexibility and reliability.**
